

Message Text

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PAGE 01 BRASIL 02237 211817Z
ACTION TRSE-00

INFO OCT-01 ARA-10 EUR-12 ISO-00 EB-08 CIAE-00 INR-10
NSAE-00 /041 W

-----073719 220236Z /66

R 211800Z MAR 78
FM AMEMBASSY BRASILIA
TO SECSTATE WASHDC 6681
INFO AMEMBASSY BONN
AMEMBASSY LONDON
AMEMBASSY MEXICO
AMEMBASSY PARIS
AMEMBASSY OTTAWA

LIMITED OFFICIAL USE BRASILIA 2237

PASS TREASURY

E.O. 11652: NA
TAGS: EFIN, BR
SUBJECT: PROPOSED INCREASE IMF/IBRD SALARIES

REF: (A) BRASILIA 1440, (B) STATE 067728

1. MINISTRY OF FINANCE INTERNATIONAL AFFAIRS ADVISOR
ARY PINTO HAS INFORMED FINATT THAT HE AND CENTRAL BANK
DIRECTOR BRACHER CONVEYED TO MINISTER SIMONSEN U.S.
POSITION ON PROPOSED COST-OF-LIVING SALARY INCREASES FOR
IMF/IBRD STAFFS. THEY CONVEYED BASIC UNDERSTANDING OF US
RATIONALE BUT, IN CONTRAST TO SIMILAR SALARY ISSUES IN
PAST, THEY DID NOT RECOMMEND STRONGLY THAT BRAZIL
SUPPORT US. THE REASON FOR THEIR RETICENCE IS THAT
BRAZIL'S IMF EXECUTIVE DIRECTOR ALEXANDER KAFKA
IS CHAIRMAN OF THE JOINT FUND/BANK COMMITTEE AND THEY
FEEL HE SHOULD BE GIVEN MAXIMUM FLEXIBILITY TO RESOLVE
THE ISSUE OF POSTPONING THE COST-OF-LIVING INCREASE AS
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HE SEES FIT.

2. KAFKA WAS IN BRASILIA RECENTLY AND CONSULTED WITH
SIMONSEN ON THIS MATTER. PINTO REPORTS THAT THEY
DEFINITELY DISCUSSED THE US POSITION BUT THAT ULTIMATELY
SIMONSEN LEFT THE DECISION OF HOW TO VOTE UP TO
KAFKA. IN OTHER WORDS, IN VIEW OF KAFKA'S SPECIAL

ROLE AS CHAIRMAN OF THE JOINT COMMITTEE, THE GOB
HAS DECIDED NOT TO GIVE HIM EXPLICIT INSTRUCTIONS
ON THE SPECIFIC UPCOMING PROPOSAL FOR A COST-OF-LIVING
INCREASE.

3. PINTO DID NOT STATE WHAT KAFKA'S POSITION MAY
BE. HOWEVER, IN THE COURSE OF THE CONVERSATION,
HE IMPLIED VERY INDIRECTLY THAT THE JOINT COMMITTEE
REPORT MAY NOT BE READY ON SCHEDULE AND THAT
THEREFORE KAFKA MIGHT WANT TO APPROVE THE
MCNAMARA/WITTEVEEN PROPOSAL AS AN INTERIM MEASURE.
JOHNSON

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NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: POLICIES, WAGES, PERSONNEL, DEVELOPMENT BANKS, COST OF LIVING WAGE ADJUSTMENT
Control Number: n/a
Copy: SINGLE
Draft Date: 21 mar 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Drafter: n/a
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Executive Order: N/A
Errors: N/A
Expiration:
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Format: TEL
From: BRASILIA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t19780344/aaaabldu.tel
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Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: f6de60c3-c288-dd11-92da-001cc4696bcc
Office: ACTION TRSE
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
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